

ATTACHMENT B

MOU Cross-tabulation to Transaction Documents

APPENDIX B

MOU Term	Document
<p>all agreements reached by the parties shall be "cost neutral" to the City, meaning that the City's General Fund, except for an amount equal to the revenues from the Project as specifically identified herein, will not be used to satisfy the City's obligations under the Bonds (as defined below) to be issued in connection with the New Hall;</p>	<p>Finance Plan as proposed in the MOU is maintained in the transaction documents</p>
<p>no City funds will be used for either the Event Center or New Parking Structures;</p>	<p>No City funds are used in this project.</p>
<p>(3) in addition to providing a venue for spectator sports and entertainment events, the Event Center shall include a fixed or operable permanent roof, at AEG's election, and shall be constructed so as to provide viable additional event, meeting rooms, and exhibit space that will be made available for LACC upon terms agreed to by the parties, and that together with existing LACC event space, shall bring total available LACC event space to over 1 million square feet of usable space;</p>	<p>Event Center Lease, §1.2</p>
<p>(4) substantial Project revenues will be generated and will be sufficient in time and amount to pay debt service on any Bonds issued for the New Hall as set forth herein;</p>	<p>Implementation Agreement, §11</p>

<p>(5) only those Project revenue sources identified below (which shall be limited to the specified portion of demonstrated total net incremental tax revenues, and those other dedicated Project revenues identified below, generated by the Project) shall be used to support any tax exempt or taxable bonds or other state and local obligations issued for the New Hall ("Bonds"), it being the intent of the parties that not more than 50% of the total net new revenues generated by the Project shall be available and required for payment of debt service under the Bonds. The City will have no liability for such debt service in excess of these revenues, all as more specifically set forth below;</p>	<p>Implementation Agreement, §11</p>
<p>(6) AEG will provide a guaranty or a combination of credit support, including a letter of credit, pledge of assets, and such other mechanisms or combinations of these and other mechanisms, as described below, on terms acceptable to the City, in order to ensure that no City funds, other than those funding sources discussed herein, shall be used to satisfy the City's obligations with respect to the Bonds. The form and amount of such guaranty or other credit support may change throughout the term of the Bond financing as more specifically set forth below;</p>	<p>Security Agreement Gap Funding Agreement</p>
<p>(7) City will retain fee ownership and control over the New Hall, including the entire LACC, and City will continue to own and operate LACC in its final configuration, subject to the terms and conditions set forth herein;</p>	<p>New Hall Agreement, §2.1(d)</p>

<p>(8) the New Hall will meet the space, function, and layout requirements of the LACC, as determined by City and as more fully described below;</p>	<p>New Hall Agreement, Exhibit 4</p>	
<p>(9) in order to protect against any shortfall in the revenues reasonably anticipated from the business and operations of LACC during demolition and construction of the Project, the schedule for the demolition of the existing LACC West Hall and parking facilities and the construction of the New Hall, Event Center, and the New Parking Structures shall mitigate and compensate to the fullest extent reasonably possible as more fully described below, any material disruption of existing service or scheduled events at the LACC that cannot otherwise be reasonably accommodated, and City parking revenue shall not be negatively impacted by either the demolition of the existing LACC parking facilities or the construction of the Project;</p>	<p>Event Center Lease, §43.6</p>	
<p>(10) the Definitive Agreements to be negotiated by the parties will include, among other agreements, a development agreement pursuant to which AEG will provide a public benefits program which shall be treated as consideration under such development agreement; and</p>	<p>Development Agreement</p>	
<p>(11) AEG shall enter into contracts with one or more NFL team(s) to play in the Event Center for a period of time at least equal to the final maturity of the Bonds originally issued in connection with the New Hall.</p>	<p>Implementation Agreement, Attachment 8</p>	

<p>1. Event Center.</p> <p>(a) AEG will, at its own cost, construct the Event Center, which shall be sufficient to accommodate a wide variety of uses, including without limitation, NFL football, soccer, conventions and exhibitions, trade shows, concerts and other entertainment, and sporting events, on the property where the West Hall of the Convention Center is currently located exclusive of Gilbert Lindsay Drive/Plaza ("Event Center Property") (as illustrated in the most recent proposed Project site plan attached hereto as Appendix A), it being the intent of the parties that the Event Center property shall encompass all of the real property associated with the original West Hall completed in 1971, excluding areas significantly improved and/or built as part of the 1993 South Hall expansion, required to enable the construction of the Event Center.</p>	<p>Implementation Agreement, §7 Event Center Ground Lease, §1.2</p>
<p>The Event Center will be designed to provide approximately 150,000 sq. ft. of floor space at the event level and approximately 100,000 sq. ft. of additional meeting space and other ancillary facilities.</p>	<p>Event Center Ground Lease, §1.2</p>
<p>The final Project site plan shall be subject to the mutual agreement of the parties, and shall be attached as an exhibit in the Definitive Agreements.</p>	<p>Event Center Ground Lease, Exhibit C</p>
<p>(b) Subject to the terms and conditions set forth herein, AEG will grant City the right to reserve a certain number of dates for the Event Center to be used by the City for "City Wide Conventions."</p>	<p>Event Center Ground Lease, §43.4</p>

	<p>For the purposes of this MOU, the term "City Wide Conventions" shall mean those multi-day convention and exhibition events utilizing more than the total existing available LACC convention/ exhibition space and generating bookings of not less than 3,000 total room nights with 1,500 room nights on peak and use of at least 3 hotels.</p>		
	<p>Subject in all events to the scheduling requirements of the NFL team(s) and to certain other additional major events to be agreed upon by the parties, provided however, that major events must be of such a nature as to generate significant out-of-area attendance and hotel room nights, AEG shall commit that the Event Center shall be reasonably available to the City for advance bookings of City Wide Conventions, as shall be more specifically described in a macrobooking policy that will be jointly developed by the parties ("Macro-Booking Policy").</p>	<p>Event Center Ground Lease, §43.4</p>	
	<p>The City shall have the right to utilize the Event Center in connection with all other LACC convention and exhibit events other than City Wide Conventions subject to availability.</p>	<p>Event Center Ground Lease, §43.4</p>	

	<p>Any use of the Event Center by the City shall in all events be consistent with all other terms and conditions imposed by AEG in connection with all other unrelated third party users of the Event Center convention and meeting space, including without limitation the payment by such third party users of a rental or use fee and a reimbursement to AEG of its costs and expenses incurred in making such space available;</p>	<p>Event Center Ground Lease, §43.4</p>	
	<p>provided, however, that solely in connection with the use of the Event Center for City Wide Conventions as agreed upon and set forth in the Macro-Booking Policy, AEG shall only charge the City rent for its use of the Event Center to the extent that City imposes rent or other similar charges on the event producer, consistent with customary convention industry discounts and such other policies as shall be set forth in the Macro-Booking Policy.</p>	<p>Event Center Ground Lease, §43.4</p>	
	<p>AEG shall be reimbursed for its direct costs and expenses.</p>	<p>Event Center Ground Lease, §43.4</p>	
	<p>As part of the Macro-Booking Policy, the parties will determine staffing plans when LACC is using the Event Center, which shall, to the extent practicable, contemplate the provision of event staffing by LACC at the Event Center during LACC events. AEG, LACC, and L.A. Inc. (or its successor as named by the City) shall establish and maintain a booking and operational oversight committee for the Macro-Booking Policy.</p>	<p>Implementation Agreement, §9</p>	

<p>(c) AEG agrees that it will not actively solicit the booking of the Event Center for use in connection with City Wide Conventions except in conjunction with the City's marketing efforts for the LACC and consistent with the Macro-Booking Policy.</p>	<p>Event Center Ground Lease, §43.5</p>
<p>(d) The Event Center and New Parking Structures will be designed, developed and constructed by AEG as a private development, and will be constructed by AEG entirely without the use of City funds, including the demolition, remediation, and removal of all structures and infrastructure currently on the Event Center Property and the property underlying the New Parking Structures.</p>	<p>Implementation Agreement, §1.6.2 Implementation Agreement, §1.6.3</p>
<p>(e) City will grant AEG a long-term lease of the Event Center Property ("Event Center Ground Lease")</p>	<p>Event Center Ground Lease, §4.1</p>
<p>at an agreed-upon total fair market value annual rental rate presently estimated to equal \$6,500,000 per year ("Event Center Ground Rent").</p>	<p>Event Center Ground Lease, §6.2</p>
<p>The Event Center Ground Rent shall commence and be payable under the Event Center Ground Lease upon the earlier of: (1) completion of construction of the Event Center (i.e., the issuance of a temporary certificate of occupancy), or (2) the commencement of use of the Event Center,</p>	<p>Event Center Ground Lease, §6.2</p>
<p>but in no event later than 48 months after the issuance of the Lease Revenue Bonds (as defined below),</p>	<p>Event Center Ground Lease, §6.1</p>
<p>and shall escalate annually thereafter by 1.75% per year.</p>	<p>Event Center Ground Lease, §6.2.2</p>

	Event Center Ground Rent shall be payable annually, in advance, during the entire term of the Event Center Ground Lease.	Event Center Ground Lease, §6.2.2
(f)	The Event Center Ground Lease shall be for a term of fifty-five (55) years	Event Center Ground Lease, §4.1
	and shall include customary and reasonable operating covenants, such as a requirement that AEG shall conduct (or cause to be conducted) sporting and other events (including from time to time events of national or international prominence) within the Event Center with commercially reasonable frequency. Such operating covenants shall be consistent with contemporary stadium and arena operations.	Event Center Ground Lease, §8.2
	To the extent that the operating covenants set forth in the existing STAPLES Center Ground Lease provide a useful model, the parties may use them as templates for the Event Center operating covenants.	-- Source of information, not a term for inclusion in the documents.

	<p>Additionally, during the entire term of the Event Center Ground Lease, AEG shall manage and operate the Event Center, or cause the Event Center to be managed and operated, as a multipurpose sports and entertainment facility in compliance with applicable laws, rules and ordinances, and in a manner consistent with the manner and standards by which Comparable Facilities (as described below) are managed and operated, and shall perform maintenance and capital improvements necessary to maintain the Event Center in a manner comparable to that in which Comparable Facilities are generally maintained. Comparable facilities shall include Cowboys Stadium in Arlington, Texas, Meadowlands Stadium in Newark, New Jersey, and Lucas Oil Stadium in Indianapolis, Indiana, as well as any stadium in which NFL teams regularly play their games and which are completed within three (3) years of completion of the Event Center ("Comparable Facilities").</p>	<p>Event Center Ground Lease, §8.2</p>	
	<p>Upon the expiration or earlier termination of the Event Center Ground Lease, at the election of the City, AEG shall demolish the Event Center and provide the City with a buildable pad on the Event Center site at AEG's sole cost and expense.</p>	<p>Event Center Ground Lease, §34.2</p>	
<p>(g) AEG shall enter into a contract ("Venue Contract") with an NFL team to play its home games in the Event Center for a period of time at least equal to the final maturity of the Bonds originally issued in connection with the New Hall.</p>		<p>Implementation Agreement, Attachment 8 Event Center Ground Lease §8.5.1</p>	

	<p>AEG may, at its discretion, enter into a Venue Contract with a second NFL team; provided, however, that any such additional Venue Contract may be for a term expiring prior to the final maturity of the Bonds.</p>	<p>Implementation Agreement Event Center Ground Lease, §8.5.3</p>	<p>Does this mean we don't place requirements on the second team?</p>
	<p>AEG's Venue Contract with at least one NFL team playing at the Event Center will require that such team play substantially all home games at the Event Center and remain at the Event Center for a term consistent with comparable stadium transactions, but in no event less than the longer of 30 years or the term of the Bonds.</p>	<p>Implementation Agreement Event Center Ground Lease, §8.5.1</p>	
	<p>In addition, the City shall have either a security interest in all Venue Contracts and/or the right to enter into separate Venue Contracts with each NFL team.</p>		
	<p>If at any time during the term of the Bonds, AEG fails to maintain an NFL team (or replacement NFL team) which plays substantially all of its home games at the Event Center, AEG shall (1) commit to take such all steps as are reasonably necessary to enforce its rights against such NFL team, (2) cooperate with the City as reasonably requested in connection with the City's pursuit of any rights it may have directly against such NFL team, and (3) use all good faith commercially reasonable efforts to secure a replacement NFL team;</p>	<p>Event Center Ground Lease, §8.5</p>	

	<p>it being agreed that (x) AEG's breach of its obligations set forth in (1), (2), or (3) above, or (y) the failure of AEG to maintain an NFL team in the Event Center through completion of payment of all Bond debt service as a result of AEG's breach of its obligations under the Venue Contract, or (z) AEG's failure in any event to fulfill its obligations under the Event Center Ground Lease, including without limitation its obligation to pay the Event Center Ground Rent when due, shall in each instance constitute a default by AEG under the Event Center Ground Lease.</p>	<p>Event Center Ground Lease, §8.5</p>	
	<p>In the event of a default under the Event Center Ground Lease that is not cured by any senior lenders and that results therefore in the termination of the Ground Lease, subject to the rights of any senior lenders as specifically described in the applicable "mortgagee protections" to be contained in the Event Center Ground Lease and in such other "intercreditor" agreements that may be entered into between any such senior lenders and the City, the City will have the right to assume AEG's rights under all existing Venue Contracts and all Event Center operating contracts (including but not limited to those agreements regarding ticket sales, premium seating, concessions, parking, permanent or other seat license sales, on-site merchandise, sponsorship sales, signage, naming rights, and media rights revenue).</p>	<p>Event Center Ground Lease, §8.5</p>	

<p>(h) AEG agrees, and will cause the NFL team(s) to agree, that City of Los Angeles business license taxes and sales taxes, as applicable, will be paid on all Event Center-related revenues, including but not limited to ticket sales, premium seating, concessions, parking, permanent or other seat license sales, on-site merchandise, sponsorship sales, signage, naming rights, and local media rights revenue.</p>	<p>Event Center Ground Lease, §8.5.6</p>	
<p>(i) To the extent that any NFL team(s) moves to the Los Angeles area prior to completion of the Event Center pursuant to a Venue Contract, AEG shall (and shall use its commercially reasonable efforts to cause such NFL team to) actively pursue an arrangement providing for such NFL team to play its NFL games at the Los Angeles Coliseum until the Event Center is completed; provided, however, that neither AEG nor such NFL team shall have any obligation to enter into such an arrangement unless the parties can do so on a commercially reasonable basis taking into account all relevant factors.</p>	<p>Implementation Agreement Event Center Ground Lease, §8.5.4</p>	
<p>The Event Center Ground Lease shall provide that within no less than two years prior to the expiration of the Venue Contract, AEG shall exercise all commercially reasonable efforts to either extend the term of the Venue Contract or enter into a new NFL team agreement, such extension or new agreement, in either of such events, to have the longest term available on commercially reasonable terms, it being the intention of the parties that the extended Venue Contract or new NFL team agreement shall expire at the expiration of the Event Center Ground Lease.</p>	<p>Event Center Ground Lease, §8.5.5</p>	

<p>(k) Concurrently with the parties' entering into the Event Center Ground Lease, AEG, City and the owner of the STAPLES Center shall enter into a Reciprocal Easement Agreement (the "REA") on terms satisfactory to all parties thereto in order to accommodate the shared uses of certain spaces and other facilities within certain portions of each of the Event Center, the New Hall, and the land surrounding the STAPLES Center, all as shall be more specifically set forth in the REA.</p>	<p>Amended and Restated Master REA</p>
<p>(1) AEG and City will jointly apply for and obtain, or at the City's election, the City will authorize AEG to file applications for, all regulatory approvals and entitlements for the New Hall, New Parking Structures, and Event Center, which shall include conducting all traffic, parking, environmental, and other studies required for this Project, it being the intent of the parties that all such costs shall be borne solely by AEG except for a reasonably allocable portion (not to exceed in total \$1,000,000) of such costs that the City would have incurred had construction been limited to building the New Hall and had the City built the New Hall for itself. AEG understands and agrees that the approval of this MOU by City does not constitute approval of any such applications, either currently filed or to be filed in the future. Approvals of those applications are subject to separate and independent State and City requirements and City's approval of this MOU does not constitute a commitment by City to take any particular action in relation to such applications.</p>	<p>-- Not related to transaction documents</p>
<p>2. New Parking Structures.</p>	

<p>(a) Lease of Property and Construction of Garages. City will grant AEG a 55-year ground lease of the property located west of the Event Center (e.g., the Bond Street and Cherry Street garage locations, together with any vacated portions of such streets) (the "New Parking Structures Ground Lease").</p>	<p>Bond Street Garage Parking Lease, §4 LA Live Way Garage Parking Lease, §4</p>	
<p>In addition to providing LACC with the rent-free use of the Bond Street Garage as described herein,</p>	<p>-- Parties agreed to require Developer to pay rent</p>	
<p>AEG shall pay to City an annual rental payment under the New Parking Structures Ground Lease currently estimated to be \$500,000 per year (the "Parking Rent"), it being the intent of the parties that (after taking into account LACC's use of the Bond Street Garage) the Parking Rent shall constitute fair market value to City.</p>	<p>Bond Street Garage Parking Lease, §6 LA Live Way Garage Parking Lease, §6 -- The amount of annual rent was increased based on appraisals received by the City</p>	
<p>Parking Rent shall commence and be payable upon the earlier of: (1) completion of construction of the New Parking Structures (i.e., the issuance of a temporary certificate of completion), (2) the demolition of the existing West Hall, or (3) the commencement of use of the New Parking Structures, but in no event later than December 31, 2014.</p>	<p>Bond Street Garage Parking Lease, §6.5 LA Live Way Garage Parking Lease, §6.5</p>	
<p>AEG shall have the right, at its election, to separate the New Parking Structures Ground Lease into two (2) separate leases, one lease in connection with the Bond Street Garage and one lease in connection with the L.A. Live Way Garage;</p>	<p>AEG chose to do so</p>	

	<p>provided, that the combined overall economic terms and conditions of such leases shall be identical to the economic terms and conditions of the New Parking Structures Ground Lease set forth herein.</p>	<p>Terms are identical, with the exception of special use provisions in the Bond Street Parking Garage for the City</p>	
<p>(b) AEG shall construct, at its sole cost and expense, an approximately 1,000 space parking structure located on the Bond Street property (the "Bond Street Garage") and an approximately 3,000 space parking structure located on the former Cherry Street garage location fronting on L.A. Live Way (formerly known as Cherry Street) (the "L.A. Live Way Garage") to: (1) replace approximately 1,600 West Hall and 800 Cherry Street parking spaces, and (2) provide approximately 1,600 additional parking spaces for use in connection with Convention Center, Event Center, and STAPLES Center events.</p>		<p>Bond Street Garage Parking Lease, §1.3 LA Live Way Garage Parking Lease, §1.3</p>	
<p>(c) Operation of New Parking Structures. 1. The City shall operate and have exclusive use of the Bond Street Garage for LACC events during all portions of days when there is no conflicting event occurring at the Event Center or STAPLES Center. City shall retain all revenue from such use and shall be responsible for all operating costs associated therewith.</p>		<p>-- City offered, and AEG accepted, that AEG would operate the Bond Street Parking Garage and retain all revenue</p>	
<p>2. AEG shall make parking available for LACC patrons in the L.A. Live Way Garage in connection with all LACC events during which there are no events occurring in either STAPLES Center or the Event Center, provided, that AEG shall operate and retain the revenue from such garage at all times.</p>		<p>Bond Street Garage Parking Lease, §8.4 LA Live Way Garage Parking Lease, §8.4</p>	

<p>3. The parties shall jointly establish and implement a parking coordination plan to minimize conflicts and ensure the optimal and mutually beneficial operation of their respective parking garages.</p>	<p>Implementation Agreement, §9</p>
<p>Such parking plan shall seek to provide sufficient parking for LACC patrons. Such plan shall also take into account LACC's desire that such parking shall be available at customary LACC parking rates on those days when there are conflicting events occurring in either STAPLES Center or the Event Center, and shall contemplate that the parties will seek to implement such commercially reasonable measures as may be feasible in order to satisfy LACC's desire, including, without limitation, the parties may explore and seek to implement a joint parking validation program and similar measures.</p>	<p>Implementation Agreement, §9.1.1.3 Bond Street Parking Ground Lease, §8.3 Implementation Agreement, §9.1.1.3 -- City recognized that successful parking facility operations required flexibility in pricing</p>
<p>4. Upon demolition of the West Hall and the existing Cherry Street garage, AEG shall assume all rights and obligations regarding the STAPLES Center's right to use and control approximately 1,200 spaces within the New Parking Structures (the "Existing STAPLES Center Spaces") in connection with all STAPLES Center events, and the City shall no longer have any rights or obligations under the existing parking lease for the West Hall/Cherry Street garages (the "West Hall/Cherry Street Garage Lease").</p>	<p>Implementation Agreement, §15.6</p>
<p>3. New Hall</p>	

<p>(a) As an obligation under the Event Center Ground Lease and each of the Definitive Agreements, prior to constructing the Event Center, AEG shall construct a new convention center hall for the City, and shall renovate and repurpose certain existing areas of the LACC, including all required infrastructure (to include, but not be limited to, a relocated or replaced central utility plant), all to replace the existing West Hall exhibition halls, meeting spaces, special function spaces, kitchen, food court, offices, related ancillary spaces being demolished, outdoor event space, and exterior staging areas (the "New Hall").</p>	<p>New Hall Agreement, §2</p>
<p>The West Hall shall not be taken out of service prior to the opening of the New Hall without the City's prior consent.</p>	<p>Event Center Ground Lease, §5.1</p>
<p>The New Hall will be owned and operated by City for Convention Center use.</p>	<p>New Hall Agreement, §2.1(d)</p>
<p>(b) Subject to the provisions of this subparagraph (b), AEG will be responsible for the design and construction of the New Hall.</p>	<p>New Hall Agreement, §2.2</p>
<p>AEG shall cause the New Hall to be (1) designed in accordance with design criteria and standards reasonably acceptable to the City, including the City's requirement that the New Hall be compatible in design with the City's existing LACC South Hall, and</p>	<p>New Hall Agreement, §2.1</p>

	<p>(2) constructed consistent with designs approved by the City pursuant to reasonable review and approval rights to be described in the Definitive Agreements, it being the intent of the parties that the New Hall and related spaces will meet or exceed the functional utility currently provided to the LACC by the West Hall. City and AEG will jointly develop a budget for the construction of the New Hall.</p>	<p>New Hall Agreement, 2.2(d)(ii)</p>	
	<p>Such budgeted cost (currently estimated by AEG to be approximately \$234 million, inclusive of soft and hard costs) will be financed by the Bonds (described below). If costs of the New Hall exceed the agreed upon budget and financing plan, then AEG shall be responsible for such overruns except to the extent they are caused by design changes required by the City or delays caused by the City.</p>	<p>New Hall Agreement, §2.3</p>	
	<p>AEG will select, and enter into contracts, with the architect, construction contractor, and other consultants for the New Hall in consultation with the General Manager of the Convention Center, the City Engineer, and such other representatives as may be designated by the City generally consistent with the guaranteed maximum price ("GMP") approach proposed by AEG to the City Engineer; provided, however, AEG has selected, with the City's consent, Populous to be the project architect for the New Hall.</p>	<p>New Hall Agreement, §2.2(b)</p>	
	<p>All of the New Hall design and construction contracts shall be privately let by AEG;</p>	<p>New Hall Agreement, §2.2(a)</p>	

<p>provided, however, that AEG shall contractually agree with the City in the Definitive Agreements to comply with those certain contracting requirements, guidelines and standards required by the City as shown on Appendix B attached hereto and made a part hereof.</p>	<p>New Hall Agreement, §5.6 and §10</p>
<p>(c) Upon passage of a reimbursement resolution by the City, out-of-pocket third party design and project management costs incurred by AEG in the design of the New Hall (e.g., architect and consultant fees) from the inception of the Project and specifically approved by the City shall be treated as New Hall "project costs," and shall be reimbursed to AEG out of Bond proceeds;</p> <p>it being recognized by the parties that the New Hall budget to be mutually approved by the parties shall consider such reasonable design and project management costs incurred by AEG.</p>	<p>New Hall Agreement, §2.3(c)(i)</p> <p>New Hall Agreement, §2.3(c)(i)</p>
<p>(d) AEG will fund all environmental analysis and approvals required for the Project, and each Project-related approval will include an obligation that AEG indemnify and, at City's option, defend City at AEG's exclusive cost and expense in any resulting litigation.</p>	<p>Implementation Agreement, §2.4 New Hall Agreement, §9</p>

	<p>The New Hall budget shall include, and AEG shall be reimbursed from Bond proceeds for, the costs of a fair and reasonable allocation of costs incurred by AEG for the entitlement approvals, off-site infrastructure improvements, and other costs or expenses reasonably and properly allocated by the parties to the New Hall, but not for such costs applicable to the Event Center, the New Parking Structures, or to litigate to defend Project-related approvals.</p>	<p>New Hall Agreement, §2.3</p>	
<p>(e) The parties will identify and agree upon such additional mechanisms as may be reasonably required by City to ensure that the Event Center and the Convention Center are operated in a complimentary and cooperative manner that will mutually benefit the parties.</p>		<p>Implementation Agreement, §9</p>	
<p>B. Proposed Financing Plan</p>			
<p>1. Event Center Financing. AEG will be solely responsible for financing the design and construction of the Event Center. No City funding, including but not limited to the issuance of bonds, will be provided for the Event Center.</p>		<p>Implementation Agreement, §11.10</p>	
	<p>In order to comply with Tax Code requirements in connection with the Proposal, some of the existing Convention Center bonds must be redeemed or defeased, the total cost of which is currently estimated by City to be approximately \$2,000,000. AEG shall provide the funds necessary for such redemption or defeasance.</p>	<p>Implementation Agreement, §11.8.2</p>	

	<p>To the extent construction sales taxes generated by the Project are not used to pay debt service on the Lease Revenue Bonds (described below), AEG shall be entitled to a credit against Event Center Ground Rent for the redemption or defeasance costs in the amount of the unused construction sales taxes received by the City.</p>	<p>Implementation Agreement, §11.10</p>	
	<p>The City shall cooperate in redeeming or defeasing any existing bonds necessary for the transaction, and in releasing the Event Center Property from the leases securing the existing bonds, and the parties shall mutually take all reasonable steps in order to minimize the amount of such redemption or defeasance costs and to make available alternative Project sources of funding to reimburse AEG for such costs to the greatest extent reasonably possible.</p>	<p>Implementation Agreement, §11.8.2</p>	
<p>2. New Parking Structures Financing. AEG will be solely responsible for financing the design and construction of the New Parking Structures.</p>		<p>Implementation Agreement, §11.9</p>	
	<p>No City funding, including but not limited to the issuance of bonds, will be provided for the New Parking Structures.</p>	<p>Implementation Agreement, §11.9</p>	
	<p>AEG shall control and retain the revenue from the New Parking Structures at all times, subject to the City's reservation of right to use the Bond Street Garage for Convention Center events during all portions of days when there is no conflicting event at the Event Center or STAPLES Center. City shall retain all revenue from such use and shall be responsible for operating costs associated therewith.</p>	<p>Bond Street Garage Parking Lease, §8.2 LA Live Way Garage Parking Lease, §8.2 -- City recognized that successful parking facility operations required flexibility in pricing</p>	

	<p>It is the intention of the parties that the incremental parking revenue to the City from Event Center events plus the incremental off-site parking tax to the City from Event Center events (all as further described below) shall compensate the City for the net income to the City currently generated by its parking operations at the West Hall garage.</p>	<p>-- HRA analysis indicated that these revenues will provide the compensation noted.</p>	
	<p>City shall engage an independent third party auditor to conduct an audit to verify its net income currently generated by its existing parking operations at the West Hall garage, said audit to take into account expenses properly allocable to said parking.</p>	<p>The City Controller conducted such an audit.</p>	
	<p>Such audit will be used to ensure that the City is "made whole" for the loss of parking revenue derived from its West Hall parking operation. If the audit reveals that the current net income to City from its West Hall parking operation is materially less or more than the sum of incremental parking revenue to City from Event Center events and incremental off-site parking tax to the City from Event Center events, then the parties shall adjust these terms to compensate for such discrepancy.</p>	<p>-- HRA analysis indicated that no "make-whole" payment is necessary.</p>	
	<p>There will be no change in current application of STAPLES Center incremental parking revenue under the existing STAPLES Center Gap Funding Agreement.</p>	<p>-- No changes were made</p>	

<p>3. New Hall Financing. It is currently contemplated that tax-exempt bonds ("Bonds") will be issued to finance construction of the New Hall, consisting of (a) lease revenue bonds ("Lease Revenue Bonds") in the approximate principal amount of \$195,000,000 and payable by the City from its General Fund in amounts not expected to exceed the sources of revenues described below, and (b) Mello-Roos bonds ("Mello-Roos Bonds") in the approximate principal amount of \$80,000,000, payable by special taxes levied on certain AEG real property as described below. The parties agree to mutually attempt to optimize the Bond financing structure in order to maximize the total Bond proceeds available to the Project and to minimize the total debt service payable thereunder, it being the further mutual desire of the parties to maintain to the greatest extent commercially feasible the same ratio of Lease Revenue Bonds to Mello-Roos Bonds as set forth above.</p>	<p>Implementation Agreement, §11.8</p>
<p>4. Sources for Repayment of Bonds. (a) The sources of General Fund revenues that will be used to pay debt service on the Lease Revenue Bonds shall be (1) rent paid by AEG to the City under the Event Center Ground Lease (which rent payments shall be paid annually in advance), (2) the City's share of possessory interest tax paid by AEG on the land underlying the Event Center and the New Parking Structures, (3) parking taxes received by the City from parking for Event Center events at (i) the New Parking Structures, (ii) AEG's Olympic West and Olympic East garages within the L.A. Live project, and (iii) City's Venice Street and South Hall garages, and (4) the City's share of construction sales taxes generated by the Project.</p>	<p>Implementation Agreement, §11.11</p>

	<p>(b) In consideration for the overall benefit to AEG and its affiliates in connection with the development of the Project, such as, among other items, the extension of the existing STAPLES Center ground lease on terms and conditions satisfactory to the owner of the STAPLES Center, and the receipt of certain signage rights on terms and conditions satisfactory to AEG, AEG has agreed, and will cause its affiliates to agree, to permit the creation of certain community facilities districts on its existing L.A. Live and STAPLES Center projects. As such, the sources of repayment of the Mello-Roos Bonds shall be (1) the imposition of a special tax to be levied on the leasehold interest in the STAPLES Center, and (2) the imposition of a special tax to be levied on the fee ownership interest of the L.A. Live real properties, excluding the J.W. Marriott/Ritz Carlton Hotel. The STAPLES Center special tax levy shall commence to be assessed in fiscal year 2024-2025, shall be in the approximate annual amount of \$5,000,000, and shall escalate by 3% each fiscal year thereafter until fiscal year 2045-2046, after which time such special assessment shall no longer encumber the STAPLES Center ground lease. The L.A. Live special tax shall commence to be assessed in fiscal year 2014-2015, shall be in the approximate annual amount of \$3,000,000, and shall escalate by 3% each year thereafter until fiscal year 2045-2046, after which time such special assessment shall no longer encumber the applicable L.A. Live properties.</p>	<p>Implementation Agreement, §11.11.2</p>
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<p>(c) AEG shall be obligated ("Gap Funding Obligation") to pay any shortfalls in the General Fund revenues described in Section B(4)(a) as may be required to make timely debt service payments on the Lease Revenue Bonds, which obligation shall be set forth in a Gap Funding Agreement.</p>	<p>Gap Funding Agreement</p>
<p>(a) For the period beginning at issuance of the Lease Revenue Bonds through the date on which the NFL team plays its first home game in the Event Center ("Period One"), the Letter of Credit shall be in the amount of \$50 million.</p>	<p>Security Agreement</p>
<p>During Period One, AEG may allocate portions of such Letter of Credit to the Reserve Fund, currently estimated to be approximately \$10 million of the Letter of Credit to serve as a partial Reserve Fund for the Lease Revenue Bonds, and approximately \$4 million of the Letter of Credit to serve as a partial Reserve Fund for the Mello-Roos Bonds.</p>	<p>Security Agreement</p>
<p>The balance of the Letter of Credit shall secure the Gap Funding Obligation.</p>	<p>Security Agreement</p>
<p>5. Credit Support. AEG shall provide the City with credit support for AEG's Gap Funding Obligation and for any debt service reserve funds ("Reserve Fund") securing payment of the Bonds. Such credit support shall be in the form of one or more letters of credit (collectively, the "Letter of Credit") issued by an entity or entities and with terms acceptable to the City.</p>	<p>Security Agreement</p>

<p>(b) For the three-year period following the NFL team's first home game in the Event Center ("Period Two"), the Letter of Credit shall be in an amount equal to the next 2 years' total debt service under the Lease Revenue Bonds and Mello-Roos Bonds immediately following the expiration of Period One, which amount is currently estimated to be \$28 million.</p>	<p>Security Agreement</p>
<p>During Period Two, AEG may allocate portions of such Letter of Credit to the Reserve Fund, currently estimated to be approximately \$10 million of the Letter of Credit to serve as a partial Reserve Fund for the Lease Revenue Bonds, and approximately \$4 million of the Letter of Credit to serve as a partial Reserve Fund for the Mello-Roos Bonds, and shall allocate the balance of the Letter of Credit to secure its Gap Funding Obligation.</p>	<p>Security Agreement</p>
<p>(c) For the period following Period Two and ending with payment in full of all Bonds ("Period Three"), AEG shall provide a Letter of Credit in the amount of \$5 million to secure the Gap Funding Obligation. During Period Three, the Reserve Fund for the Lease Revenue and Mello-Roos Bonds will be secured by cash from AEG, by excess cash available from Bond proceeds (including without limitation any accumulated interest earnings or excess proceeds available as a result of "net funding" the Bonds), or by an additional Letter of Credit.</p>	<p>Security Agreement</p>
<p>6. Guaranty and Additional Security Protections. In addition to the above, the following additional security protections shall apply:</p>	

<p>(a) AEG shall provide, for the benefit of the City, a completion guaranty from a guarantor acceptable to the City, and the City shall not unreasonably withhold its approval, which guarantees completion of the Event Center and New Parking Structures, it being the intention of the parties that the completion guaranty shall be issued by the same guarantor as approved by the senior lender on the Event Center and that such senior lender will be a nationally recognized financial institution.</p>	<p>Event Center Ground Lease, §5.4.5 Bond Street Garage Ground Lease LA Live Way Garage Ground Lease</p>	
<p>(b) AEG shall grant the City the right to terminate the ground lease on the New Parking Structures upon any termination of the Event Center Lease resulting from AEG's default thereunder.</p>	<p>Bond Street Garage Ground Lease, §51 LA Live Way Garage Ground Lease, §51</p>	
<p>AEG shall not place any leasehold financing on its interest in the New Parking Structures Ground Lease or otherwise pledge the New Parking Structures as collateral for any financing until after the end of Period One as described above.</p>	<p>Bond Street Garage Ground Lease, §20.4.2 LA Live Way Garage Ground Lease, §20.4.42</p>	
<p>(c) AEG shall not place any leasehold financing on its interest in the Event Center Ground Lease or otherwise pledge the Event Center as collateral for any loan having a principal amount in excess of 60% of AEG's total project costs to design and construct the Event Center.</p>	<p>Event Center Ground Lease, §20.3</p>	

<p>(d) At the commencement of each year starting from the issuance of Bonds and until the debt service on the Bonds is paid in full, AEG shall deposit with the City the amount of the annual Gap Funding Obligation as based on a good faith estimate reasonably agreed to by the parties, consistent with any history of such payments and current applicable Project revenue projections.</p>	<p>Gap Funding Agreement</p>
<p>C. Additional Terms.</p> <p>1. STAPLES Center Lease Extension. The parties agree that the ground lease for the STAPLES Center shall be extended to make the STAPLES Center ground lease co-terminus with the Event Center Ground Lease, in consideration for fair market value rent to be paid by AEG to the City for each year of such extension as described herein. The parties agree that the special assessments to be imposed on the STAPLES Center leasehold pursuant to Section <i>BA. (b)</i> above reflect, among other things, the fair market rent for the period of such extension. During the years of the extension, AEG shall have the continuing right to impose, collect and either apply to other expenses or retain, in its sole discretion, an admissions fee of 3-5% on all paid tickets at STAPLES Center.</p>	<p>First Amendment to the Arena Ground Lease</p>

<p>2. Event Center Admissions Fee. AEG shall have the right to impose and collect an admissions fee to be initially set at 4% on all paid tickets at Event Center events (the "Event Center Admissions Fee"); provided, however, that AEG shall have the right from time to time to adjust the Event Center Admissions Fee (but not to exceed 5% in any event). AEG shall have the right to apply all Event Center Admissions Fee receipts towards the payment of Event Center Ground Rent, but assumes all risk for any shortfalls, and shall have the right to use any excess Event Center Admissions Fee receipts to satisfy any of AEG's other monetary obligations to the City (e.g., the Annual Signage Payment, AEG's Gap Funding Obligation, etc.).</p>	<p>First Amendment to the Arena Ground Lease</p>
<p>3. Signage. In exchange for AEG's construction of the New Hall and its performance of all other obligations with respect to the Project as contemplated herein, the City shall grant AEG exterior signage rights on and around the Convention Center.</p>	<p>Signage Agreement</p>
<p>AEG and the City had previously negotiated an agreement which contemplated signage rights that the City has estimated to have a fair market value of \$5,000,000 per year.</p>	<p>-- Revised analysis determined the value at \$6 million</p>
<p>The parties agree that the special assessments to be imposed on the L.A. Live properties pursuant to Section B.4.(b) above reflect, among other things, such fair market value.</p>	<p>Signage Agreement, \$6</p>

	<p>The City acknowledges that, in conjunction with the removal of the West Hall and the construction of the New Hall as part of the proposed Project, AEG intends to modify the prior signage plan, including removing and adding some locations and modifying certain sign types;</p>	<p>Signage Agreement</p>	
	<p>provided that (a) AEG agrees that the total square footage of signage in the revised plan shall not be materially greater than the total square footage of the plan that the City has valued in connection with this MOU, and (b) if the City reasonably concludes that the value of the final agreed signage plan is materially greater than \$5,000,000 per year, then the parties shall renegotiate to reach agreement on appropriate adjustments in the financial terms of this arrangement.</p>	<p>Signage Agreement</p>	
	<p>AEG must obtain all required regulatory approvals and entitlements for said signs.</p>	<p>Signage Agreement, §10.4</p>	
	<p>In addition, the terms and conditions set forth in Section B.1 above relating to the redemption/defeasance of certain existing City bonds shall, to the extent applicable, also apply in connection with City's granting of such signage rights on and around the Convention Center, it being understood that the total extent of such signage granted may impact such redemption/defeasance costs to be incurred.</p>	<p>Implementation Agreement, §11.8.2</p>	
	<p>AEG shall have the exclusive right to utilize such signage and to sell inventory thereon, subject to the City's right to promote and publicize LACC events.</p>	<p>Signage Agreement, §4 and §7</p>	

	<p>The term of the AEG Convention Center signage rights will commence in 2014 and shall be co-terminus with the initial term of the Bonds.</p>	<p>Signage Agreement, §8</p>	
	<p>Any extension of the term shall be subject to mutual consent of the parties and at new agreed-upon terms.</p>	<p>-- No extension provision is included in the document</p>	
	<p>Subject to the City's collateral assignment and other rights upon AEG's default (all as more particularly described above), AEG shall retain all signage and naming rights for the Event Center.</p>	<p>Event Center Lease, §8.5.2 and §8.5.10</p>	
<p>4. Construction Contracting. AEG shall select in its sole discretion, and enter into contracts with, the architect and general contractor for the Event Center and New Parking Structures;</p> <p>provided, however, that as part of the Definitive Agreements AEG shall agree that in connection with such contracts, it shall comply with applicable City provisions for prevailing wage, MBE/WBE and workforce utilization, local hiring, and such other requirements required by law or reasonably agreeable to the parties.</p>		<p>Event Center Ground Lease, §42 Bond Street Garage Ground Lease, §5.4 LA Live Way Garage Ground Lease, §5.4</p> <p>-- All documents have such provisions.</p>	

<p>5, Ground Lease General Provisions. The Event Center Ground Lease shall include customary and reasonable ground lease provisions, including without limitation, provisions concerning default, restrictions on assignment, indemnification, leasehold financing, and mortgagee protections. To the extent that the corresponding provisions set forth in the existing STAPLES Center Ground Lease provide a useful model, the parties may use them as templates for the Event Center Ground Lease.</p>	<p>Event Center Ground Lease</p>
<p>6. Non-Competition. The parties agree that it is in their mutual best interest to enhance the existing financial performance of the LACC and its ability to attract the greatest number of events. Therefore, the parties agree as follows:</p>	<p>Event Center Ground Lease, §41</p>
<p>(a) Except as may occur in active conjunction with LACC, AEG agrees that it will not solicit the booking of the Event Center for any event which LACC has the capability to support and host in terms of space, functionality, availability, and services and which LACC has historically booked and hosted prior to the existence of the Event Center.</p>	<p>Event Center Ground Lease, §41</p>

<p>(b) Both Parties shall strive to coordinate the booking and scheduling of events in their respective facilities so as to avoid or minimize to the greatest extent possible any conflicts between the facilities and the events held within such facilities, and to ensure as much complementary activity as possible; it being the mutual goal of the Parties to avoid and minimize LACC loss of business and market share due to any such potential conflicts.</p>	<p>Implementation Agreement, §9</p>
<p>(c) Both Parties shall on a collaborative basis seek to attract and book new large scale City Wide conventions and other similar events of sufficient size so as to be able to engage the facilities and services of both the Event Center and the Convention Center;</p>	<p>Implementation Agreement, §9</p>
<p>provided, however, that once such any such new large scale event has been secured, either Party shall have the right to seek to have its facility (or a portion thereof) serve as the venue for some of the events comprising a part of such large scale event.</p>	<p>Implementation Agreement, §9</p>
<p>In any event, based on all of the foregoing, AEG, LACC, and L.A. Inc. (or its successor as named by the City) agree to collaborate and to seek a more detailed and integrated delineation of relative business and booking methodology and event activity within the Macro-Booking Policy to be jointly developed by the parties.</p>	<p>Implementation Agreement, §9</p>

<p>7. Non-Disruption. AEG and City each commits in good faith to actively collaborate with the other in attempting to arrive at practical solutions in order to minimize any disruptions to LACC events and LACC revenues to the greatest extent reasonably practicable during AEG's construction of the Event Center.</p>	<p>Event Center Ground Lease, §43.6</p>	
<p>In particular, once AEG has established and presented to LACC its construction and mobilization schedule for the construction of the Event Center, LACC will develop and present to AEG a schedule of potential LACC events to be held during the period of construction of the Event Center.</p>	<p>Event Center Ground Lease, §43.6</p>	
<p>Based upon such schedules, the Parties shall thereafter work together on an on-going collaborative basis to jointly identify potential solutions intended to avoid or mitigate to the greatest extent possible such disruption to LACC revenue generating activities during such period; including without limitation, the parties shall explore such measures as seeking to adjust the scheduling of certain construction activities, providing alternative parking arrangements or temporary substitute venues, and the like.</p>	<p>Event Center Ground Lease, §43.6</p>	
<p>Only after having first jointly exhausted all potential avoidance or mitigation efforts, AEG shall reimburse LACC for its clearly demonstrated losses actually suffered solely and directly as a result of the disruption to LACC revenue generating events as a result of AEG's construction of the Event Center.</p>	<p>Event Center Ground Lease, §43.6</p>	

	<p>In addition, as part of the parties' collaborative efforts to mitigate any such disruption, there may be instances where the parties mutually determine that economic incentives must be offered to contracted LACC clients (for space or date moves or both) throughout the construction process.</p>	<p>Event Center Ground Lease, §43.6</p>	
	<p>To the extent the Parties mutually determine that such incentives are reasonably necessary, the actual cost to LACC of such incentives will be reimbursed to LACC by AEG.</p>	<p>Event Center Ground Lease, §43.6</p>	
	<p>Notwithstanding anything herein to the contrary, LACC acknowledges that AEG shall have no liability for any loss of revenue which may be attributable to general market conditions or the failure of LACC to attract or retain business due to competitive reasons unrelated to any disruption which may be caused by AEG's construction of the Event Center.</p>	<p>Event Center Ground Lease, §43.6</p>	

<p>8. L.A. Live Event Deck. The construction of the New Hall and the Event Center should obviate the need for an expansion of the Convention Center over the airspace parcel currently occupied by the event deck at the Olympic West Parking Garage at LA Live, which parcel is defined as the "Convention Center Expansion Parcel" under the LASED Specific Plan. Therefore, if requested by AEG, the City shall process an amendment to the LASED Specific Plan to modify the existing use restriction on the Convention Center Expansion Parcel to provide that on the earlier of the completion of New Hall to the satisfaction of the City or October 21, 2021, the Convention Center Expansion Parcel may be used for any other uses permitted by the LASED Specific Plan. Parking, temporary and signage uses as currently allowed under the LASED Specific Plan shall continue to be allowed. At AEG's election the processing of such specific plan amendment may be concurrent with or subsequent to the processing of approvals for the Project. All processing, environmental review, and other costs arising out of such an amendment shall be borne by AEG. The processing of such an amendment does not commit the City or its Planning Department, City Planning Commission or City Council to approve any requested changes.</p>	
<p>9. Public Benefits. AEG will implement a public benefits program to benefit the residents of the City. The specific details of the program will be developed by AEG over the next year and shall be in writing when the Definitive Agreement are reviewed by Council.</p>	<p>Implementation Agreement</p>